

Representative  
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THE PEOPLE  
☒ VOTED  
FOR RELIEF.

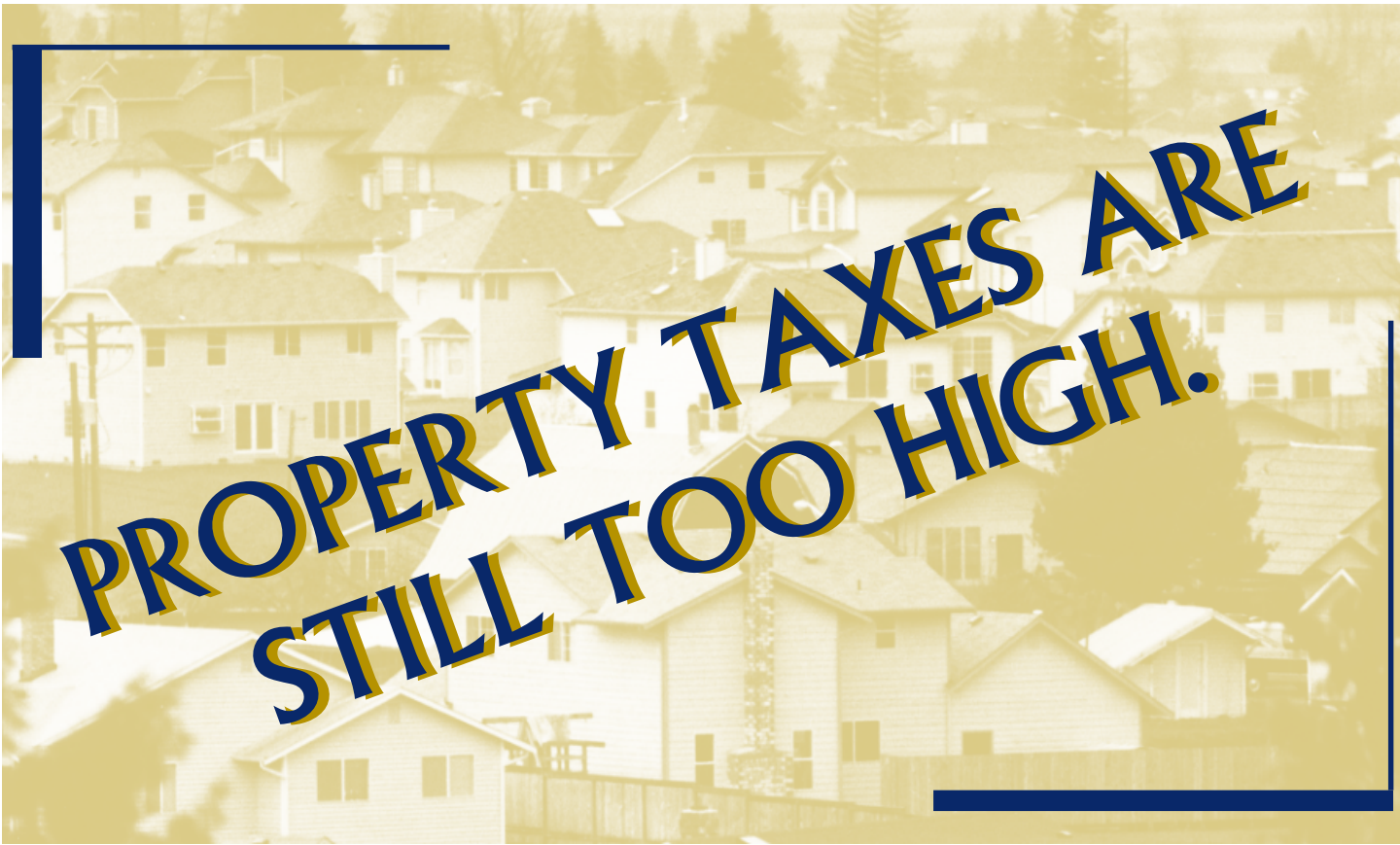
Referendum 47

“Shall property taxes be limited by modifying the 106 percent limit, allowing property valuation increases to be spread over time, and reducing the state levy?”

Yes  
1,009,309  
64 %

No  
579,620  
36%

But You’re Not Getting It!





## WHAT HAPPENED?

In 1997 voters overwhelmingly approved Referendum 47, a property tax relief measure sponsored by Republican legislators. The measure permanently reduced state property taxes 4.7 percent, limited future state and local property tax increases, and created a value-averaging formula to smooth out “spikes” in assessed valuations.

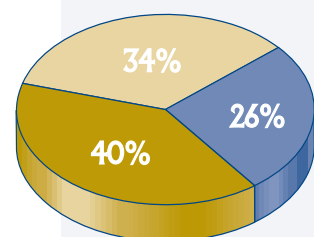
A family with a \$110,000 home was expected to save \$140 in property taxes in the first three years after Referendum 47 passed — a savings which would have grown to an estimated \$23,000 over 30 years.

Voters, however, have not received the tax relief we believe Referendum 47 was intended to provide.

These lost opportunities for tax relief result from a recent court decision and the actions of local government. Last summer, the Washington State Supreme Court struck down the “spiking” provision of the referendum, leaving homeowners vulnerable to large assessment increases. In addition, cities and counties continue to enact significant increases in local tax levies. **Of the 288 taxing districts subject to the new law, 192 raised property taxes above the inflation limit established by the referendum.** Almost three-fourths of your property taxes go to local governments. Any serious attempt at property tax reform must consider this factor.

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### Who Gets Your Property Tax\*



Local Regular Property Taxes  
(City, County, etc.)

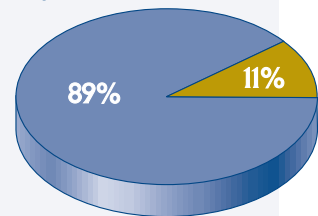
Voter-approved Property Taxes  
(School levies & bonds, Libraries, EMS, etc.)

State Property Taxes

\*statewide averages

### Who's Reducing Your Property Tax\*

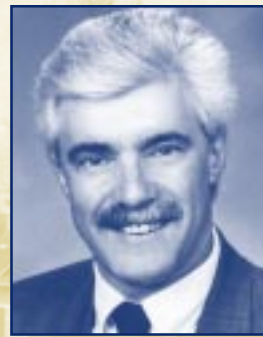
(Total property tax reductions since 1997)



State Reductions

Local Reductions

# WE'RE WORKING FOR PROPERTY TAX RELIEF!



Representative  
Mike Carrell

Dear friends and neighbors,

Controlling taxes and the size of government have been at the core of the Republican agenda for the last four years. Since Republicans gained the majority in the House, the Legislature has reduced taxes nearly \$2.9 Billion. There remains, however, a critical need for reform in one particular area — the property tax system.

This session, we are proposing a package of legislation which would reform the property tax system in three fundamental areas:

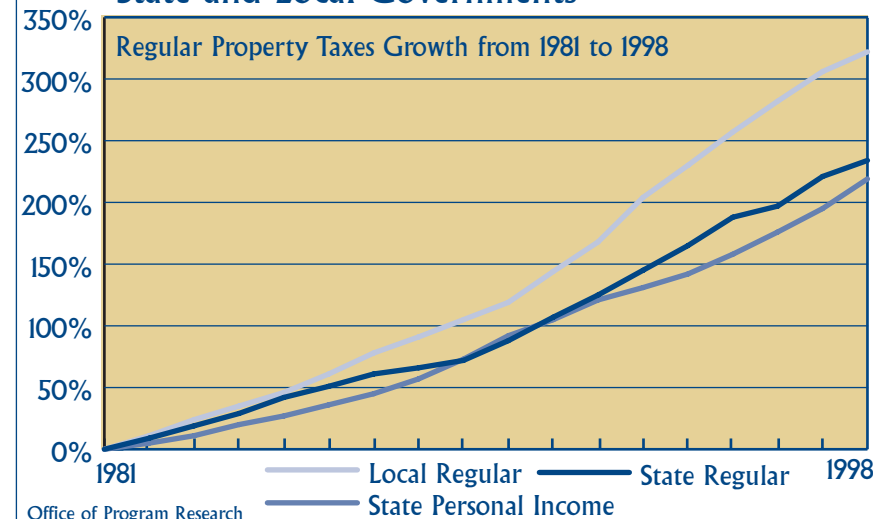
- First, it would reign in tax collectors — beginning with the state of Washington.
- It would also further limit the ability of local governments to increase taxes beyond the inflationary limit established by Referendum 47.
- Finally, and most importantly for those who are hit the hardest by unrestricted property tax increases, it would help protect those who live on fixed and low incomes from being forced from their homes.

It is outrageous that people can live in their homes for 30 years and pay off their mortgages, only to find as they grow older they cannot afford to live there because of the property tax burden. They find they never truly own their home because of the property tax.

We are committed to property tax reform. It is too important to go unaddressed.

— Since 1980, property taxes statewide have increased 40 percent faster than personal income. Under the current rate of growth, homeowners will see property tax levies double every eight years. —

### State and Local Governments



## 1999 HOUSE REPUBLICAN PROPERTY TAX REFORM PLAN:

Referendum 47 cut the state property tax levy by \$112 million. This year we are proposing that the automatic inflation-based increase in state property taxes be eliminated over the next decade. This would save taxpayers \$50 million over the next four years, and much more when fully phased in.

Under Referendum 47, a taxing district, upon finding of a substantial need, can increase property taxes by 6 percent, rather than the rate of inflation. Our bill would not allow the tax revenue generated through a local taxing district's finding of a “substantial need” to increase the base for future revenue limit calculations.

Middle-income relief is also a must, but should not shift the burden to others. We are offering deferrals to homeowners of below median income when their assessments increase more than 15 percent.

Under current law a taxing district can impose the maximum tax rate allowed by law but actually collect a lower rate. The district is then allowed to “bank” the difference between the rate and what was collected.

This banked capacity is carried forward and can lead to outlandish tax increases — in some cases approaching 100 percent per year. We would limit “banking” of levy capacity to only one year.

Seniors on fixed incomes are the most vulnerable to sharp spikes in assessments. Our bill would cap assessment increases at 2 percent per year for many senior citizens.

When there is a tax dispute between the taxpayer and taxing authority, our bill would shift the burden of proof from the taxpayer to the tax collector.